GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:580
ANSWERED ON:21.11.2002
NAPHTHA BASED POWER PROJECTS
PUTTASWAMY GOWDA

Will the Minister of POWER be pleased to state:

(a) whether the Techno-Economic Clearance by CEA for Naphtha-based Liquid Fuel Power Projects Nanjangud (96.7 MW), Hassan (189 MW) and Mandya (64.37 MW) is awaited for the last several years; and

(b) the time by which the final clearance is likely to be given to the above power projects?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : The Techno-Economic Clearance (TEC) by the Central Electricity Authority (CEA) to these projects could not be issued due to non-compliance up of certain requirements, as indicated below :

Nanjangud Combined Cycle Power Project (CCPP) (96.7 MW)

The Detailed Project Report (DPR) was received in April, 1998 and was considered by the CEA in its meeting held on 26.2.1999. The proposal could not be accorded TEC as the same was not cleared by the Central Water Commission (CWC) for water availability from inter-State consideration as the source of water proposed for the project was from Cauvery basin and the matter of water allocation was pending before the Cauvery Water Dispute Tribunal for adjudication. Also, the hard cost and soft costs of the project were to be reduced by the project developers. These issues were not resolved by the Independent Power Producer (IPP) for a long time and the DPR was thereafter returned by CEA in October, 2001.

Hassan CCPP (189 MW)

The DPR submitted by the IPP in December, 1997 was considered by CEA, in its meeting held on 28.5.1999. The proposal could not be accorded TEC as the same was not cleared by the Central Water Commission (CWC) for water availability from inter- State consideration as the source of water proposed for the project was from Cauvery basin and the matter of water allocation was pending before the Cauvery Water Dispute Tribunal for adjudication. Also, the hard cost and soft costs of the project were to be reduced by the IPP. In order to resolve the issue of water availability, CEA convened meetings on 23.1.2001 and 3.4.2001 with the project developers of all the three projects wherein only representatives of the Hassan project participated. In the meeting, alternative source of water supply was explored and the IPP proposed to go in for ground water for which clearance from the State and Central Ground Water Authorities was required. The same was obtained by the developer in February, 2002. However, due to high cost of generation for the Hassan project, CEA advised the State Government in August, 2002, to consider the possibility of reducing the capital cost and cost of fuel even by changing the fuel from naphtha to other economical fuel and furnish their views to enable CEA to issue TEC.The views of the State Government have not been received by CEA. The DPR was, however, returned to the IPP on 21.9.2001.

Mandya CCPP (164.37 MW).

The DPR received in December, 1997, was returned in May, 2000 being incomplete as a number of essential inputs/clearances such as Compliance of Section 29(2) of Electricity (Supply) Act, 1948 Water Availability (State and Central), Fuel Linkage, Transportation Agreement for Fuel, Clearance from Ministry of Environment and Forest, Power Evacuation Arrangement, Financial Package and Recommendation of DPR and the cost by the Government of Karnataka.The developer did not submit the revised DPR after arranging for all the above clearances.

(b) : These projects could be considered for TEC by CEA only after the necessary inputs/clearances are tied up. Meanwhile, the Government of India, Ministry of Power has also issued a notification No.S.O.888 (E) dated 19th August, 2002 under Sub-section (1) of Section 29 of the Electricity (Supply) Act, 1948 (54 of 1948), whereby, schemes for generating stations prepared by a generating company having an estimated capital cost of upto Rs.2500 crores, and whose tariff for sale of electricity is determined by the Central Electricity Regulatory Commission or any State Electricity Regulatory Commission, are not required to obtain the TEC of CEA.